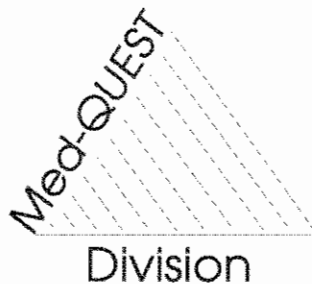


STATE OF HAWAII
Department of Human Services

**REQUEST FOR PROPOSAL
NO. RFP-MQD-2005-001
FOR THE HAWAII IMMIGRANT
HEALTH INITIATIVE**



Med-QUEST Division
Finance Office
Issued May 4, 2004

STATE OF HAWAII

**DEPARTMENT OF HUMAN SERVICES
MED-QUEST DIVISION
KAPOLEI, HAWAII**

Legal Ad Date: May 4, 2004

REQUEST FOR PROPOSAL

No. RFP-MQD-2005-001

COMPETITIVE SEALED PROPOSAL

For The

Hawaii Immigrant Health Initiative

**Will be received up to, 2:00 p.m. Hawaii Standard Time (H.S.T.)
on
May 25, 2004**

**In the Department of Human Services
Med-QUEST Division
1001 Kamokila Boulevard, Suite 317
Kapolei, Hawaii 96707**

A handwritten signature in black ink, appearing to read "Steven S. Kawada", written over a horizontal line.

Steven S. Kawada, Assistant Administrator
Department of Human Services/Med-QUEST Division

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SECTION 10 ADMINISTRATIVE OVERVIEW

10.100 Purpose of the Request for Proposal (RFP)

This Request for Proposal (RFP) solicits participation by the best qualified organization able to provide primary care services for eligible legal immigrants (qualified aliens) who, but for the date of their entry into the United States, would be eligible for the State of Hawaii's QUEST or Medicaid fee-for-service programs. (Refer to Section 40.100 for the definition of the target population and Section 40.400 for the eligibility criteria). Offerors responding to this RFP must be able to provide the required services on a statewide basis. Proposals that are limited to a specific island or county will not be accepted. The scope of services delineated in the RFP shall be reimbursed with State-only funds appropriated by the Hawaii State Legislature in the amount of \$550,000 per State fiscal year.

Offerors are advised that the entire RFP, any addenda, and the corresponding proposal shall be part of the contract with the successful offeror.

Department of Human Services (DHS) reserves the rights to modify, amend, change, add or delete any requirements in this RFP and the documentation library to serve the best interest of the State. If significant amendments are made to the RFP, the State will consider allowing prospective offerors additional time for the proposals to be submitted.

Offerors are encouraged to read each section of the RFP thoroughly. While sections may appear similar among RFP's state purchasing agencies may add additional information as applicable. It is the responsibility of the offeror to understand the requirements of each RFP.

10.200 Authority for Issuance of RFP

This RFP is issued under the provisions of the Hawaii Revised Statutes (HRS), Chapter 103F and its administrative rules. All prospective offerors are charged with presumptive knowledge of all requirements of the cited authorities. Submission of a valid executed proposal by any offeror shall constitute admission of

such knowledge on the part of such offeror. Failure to comply with any requirement may result in the rejection of the proposal. DHS reserves the right to reject any or all proposals received or to cancel this RFP, according to the best interest of the State.

10.300 Issuing Officer

This RFP is issued by the State of Hawaii, Department of Human Services. The issuing Officer within the DHS is the sole point of contact from the date of release of this RFP until the selection of a successful offeror. The Issuing Officer is:

Mr. Steven Kawada, Assistant Administrator
Department of Human Services/Med-QUEST Division
601 Kamokila Boulevard, Suite 518
Kapolei, HI 96707
Telephone: (808) 692-8050
Fax: (808) 692-8173

10.400 Organization of the RFP

This RFP is composed of seven sections plus appendices:

- ☐ Section 10 – Administrative Overview – Provides general information on the purpose of the RFP, the authorities relating to the issuance of the RFP, and the organization of the RFP.
- ☐ Section 20 – RFP Schedule and Requirements – Provides information on the rules and schedules for Hawaii Immigrant Health Initiative services.
- ☐ Section 30 – Background - Describes the current medical assistance programs, including Medicaid, QUEST, and QUEST Net, and the role of DHS.
- ☐ Section 40 – Scope of Services - Provides information on the Hawaii Immigrant Health Initiative services to be provided under this RFP and contract
- ☐ Section 50 – Terms and Conditions - Describes the terms and conditions under which the work will be preformed

- ❑ Section 60 – Technical Proposal – Describes the required content and format required for submission of a proposal.
- ❑ Section 70 – Evaluation and Selection – Defines the evaluation criteria and explains the evaluation process.

Various appendices are included to support the information presented in Sections 10 through 70.

Offerors are advised that the entire RFP, addenda, written responses to questions and answers, and the corresponding proposal shall be a part of the contract with the successful offeror.

SECTION 20 RFP Schedule and Requirements

20.100 RFP Timeline

The delivery schedule set forth herein represents the DHS's best estimate of the schedule that will be followed. If a component of this schedule, such as Proposals Due date is delayed, the rest of the schedule will likely be shifted by the same number of days. The proposed schedule is as follows:

Issue RFP	May 4, 2004
Submission of written Questions and Notice of Intent to Propose	May 12, 2004
Written Responses to Questions	May 14, 2004
Receipt of Proposals	May 25, 2004
Contract Award	June 1, 2004
Implementation	July 1, 2004

20.200 Written Questions

Offerors shall submit questions in writing and/or on diskette in Word 97 format, or lower to the following address:

Mr. Steven Kawada
c/o Dona Jean Watanabe
Med-QUEST Division/Finance Office
1001 Kamokila Boulevard, Suite 317
Kapolei, Hawaii 96707-2005
Fax: (808) 692-7989

The written questions shall reference the RFP section, page and paragraph number. Offerors must submit written questions by 2:00 p.m. (HST) on May 12, 2004. DHS shall respond to the written questions no later than May 14, 2004. Only correspondence issued by the issuing officer shall be considered valid. No verbal responses shall be considered as official.

20.300 Notice of Intent

Potential offerors shall submit a Notice of Intent to Propose to the Issuing Officer no later than 2:00 p.m. (HST) May 12, 2004. Submission of a Notice of Intent is not a prerequisite for the submission of a proposal, however, it assures that all pertinent information during the procurement process is sent to all interested parties. A notice of Intent to Propose may be sent on company letterhead by mail or faxed to:

Steven Kawada
c/o Dona Jean Watanabe
Med-QUEST Division/Finance Office
1001 Kamokila Boulevard, Suite 317
Kapolei, Hawaii 96707
Fax: (808) 692-7989

20.400 Tax Clearance

Each Offeror shall provide the State and Federal Tax Clearance, as assurance that all state and federal liabilities have been paid and there are no outstanding balances owed. These tax clearances must be provided at the time the proposals are submitted and prior to the final payment made for this contract period.

An original or certified copy of a tax clearance certificate issued by the Department of Taxation (DOTAX) and the Internal Revenue Service (IRS) must be submitted with the Contractor's proposal by the due date and time.

Effective 12/1/97, tax clearance certificates are valid for a six-month (not 180 day) period beginning on the later dated DOTAX or IRS approval stamp. For example, an 8/1/98 certificate is valid through 2/1/99.

The tax clearance submitted with the sealed offer must be valid on the solicitation's legal ad date or any date thereafter up to the offer due date. A valid tax clearance received with the offer will remain valid for the contract award.

The tax clearance certificate shall be obtained on the State of Hawaii, DOTAX Tax Clearance Application Form A-6 (rev. 2002)

which is available at the DOTAX and IRS office in the State of Hawaii or the DOTAX website, and by mail or fax:

DOTAX Website (Forms and Information):

<http://www.state.hi.us/tax/tax.html>

DOTAX forms by mail:	(808) 587-7572
	1-800-222-7572
DOTAX forms by fax:	(on Oahu) (808) 587-7272
	(outside Oahu) (808) 678-0522

Out-of-state offerors should mail their applications to DOTAX's Oahu District Office.

Contractor is also required to submit a tax clearance certificate for final payment on the contract.

20.500 Certificate of Good Standing

Upon award of a contract, the Contractor will be required to obtain a Certificate of Good Standing from the Department of Commerce and Consumer Affairs (DCCA) Business Registration Division (BREG).

A business entity referred to as a "Hawaii business", is registered and incorporated or organized under the laws of the State of Hawaii. Contractor shall submit a "Certificate of Good Standing" issued by the DCCA, BREG.

A business entity referred to as a "compliant non-Hawaii business," is not incorporated or organized under the laws of the State of Hawaii but is registered to do business in the State. Contractor shall submit a "Certificate of Good Standing" and may be obtained from www.BusinessRegistrations.com. To register or to obtain a "Certificate of Good Standing" by phone, call (808) 586-2727 (M-F 7:45 to 4:30 HST). The "Certificate of Good Standing" is valid for six months from date of issue and must be valid on the date it is received by the purchasing agency. Contractors are advised that there are costs associated with registering and obtaining a "Certificate of Good Standing" from the DCCA. Any costs are the responsibility of the Contractor.

20.600 References

Contractor will list, on Appendix B, three (3) companies or government agencies for whom services similar to those requested herein were, or are currently being performed. The State reserves the right to contact the references provided.

20.700 Documentation

Offerors may review information describing Hawaii's Medicaid Program and QUEST by contacting the Issuing Officer between 9:00 a.m. and 3:00 p.m. (H.S.T.) for an appointment. The documentation library contains material designed to provide the offerors with additional and supplemental information and shall have no effect on the requirements stated in this RFP.

The documentation library maintained at the location of the issuing officer in Kapolei includes the following:

- QUEST Program Documentation
- Organization charts and functional statements
- QUEST Health Plan manual
- QUEST Policy Memorandum Manual
- EPSDT Manual
- Standards of internal quality assurance
- HEDIS
- QUEST Financial Reporting Guide
- Current QUEST Formulary
- Information on the development of the capitated rate ranges
- Other pertinent data

Offerors that request copies of documentation after visiting the documentation library shall be provided the documents at cost. Packaging and shipping of documentation shall be the responsibility of the offerors.

All possible efforts shall be made to ensure that the information contained in the documentation library is complete and current. However, DHS does not warrant that the information in the library is indeed complete or correct and reserves the right to amend, delete and modify the information at any time without notice to the offerors.

20.800 Proposal Bond

Each transmittal letter with the proposal shall be accompanied by a proposal bond in the form of:

- Legal tender (cash)
- Certificate of deposit issued by a bank that is insured by the FDIC and made payable to the Department of Human Services, State of Hawaii
- Certified check issued by a bank that is insured by the FDIC and made payable to the Department of Human Services, State of Hawaii
- Cashier's check issued by a bank that is insured by the FDIC and made payable to the Department of Human Services, State of Hawaii

The proposal bond shall be in the amount of \$2,000.00. The proposal bond shall be forfeited to DHS if a successful offeror fails to execute a contract within 14 days after notification of award of contract. DHS will extend the 14 days for circumstances beyond the control of the offeror.

The proposal bond shall be returned to the successful offeror upon execution of a legal contract and submittal of a performance bond, and to the unsuccessful offerors after the contract has been signed by all appropriate parties.

20.900 Rules of Procurement

To facilitate the procurement process, various rules have been established as described in the following subsections.

20.910 No Contingent Fees

No offeror shall employ any company or person, other than a bona fide employee working solely for the offeror or company regularly employed as its marketing agent, to solicit or secure this contract, nor shall it pay or agree to pay any company or person, other than a bona fide employee working solely for the offeror or a company regularly employed by the offeror as its

marketing agent, any fee commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award of a contract to perform the specifications of the RFP.

20.920 **Restriction on Communication with Staff**

From the issue date of this RFP until an offeror is selected and the selection is announced, communications with State staff may be made pursuant to Chapter 3-143-401, Hawaii Administrative Rules (HAR).

21.100 RFP Amendments

DHS reserves the right to amend the RFP any time prior to the closing date for the submission of the proposal. Amendments shall be sent to potential offerors who requested a copy of the RFP.

21.200 Cost of Preparing Proposal

Any costs incurred by the offerors for the development and submittal of a proposal in response to this RFP are solely the responsibility of the offeror, whether or not any award results from this solicitation. The State of Hawaii shall provide no reimbursement for such costs.

21.300 Disposition of Proposals

All proposals become the property of the State of Hawaii. The successful proposal shall be incorporated into the resulting contract and shall be public record. The State of Hawaii shall have the right to use all ideas, or adaptations to those ideas, contained in any proposal received in response to this RFP. Selection or rejection of the proposal shall not affect this right. Written requests for an explanation of rejection shall be responded to in writing within five (5) working days of receipt.

Offerors who submit technical proposals that do not meet mandatory requirements or do not meet all the threshold requirements during the technical evaluation phase, shall have their technical proposals returned.

21.400 Rules for Withdrawal or Revision of Proposals

A proposal may be withdrawn or revised at any time prior to, but not after, the deadline for receipt of proposals May 25, 2004, provided that a request in writing executed by an offeror or its duly authorized representative for the withdrawal or revision of such proposal is filed with DHS before the deadline for receipt of proposals. The withdrawal of a proposal shall not prejudice the right of an offeror to submit a new proposal.

21.500 Independent Price Determination

State law requires that a bid shall not be considered for award if the price in the bid was not arrived at independently without collusion, consultation, communication, or agreement as to any matter relating to such prices with any other offeror or with any competitor.

The offeror shall include a certified statement in the proposal certifying that the bid was arrived at without any conflict of interest, as described above. Should conflict of interest be detected at any time during the contract, the contract shall be null and void and the offeror shall assume all costs of this project until such time that a new offeror is selected.

21.600 Confidentiality of Information

If an offeror seeks to maintain the confidentiality of sections of the proposal, each page of the section(s) should be marked as "Proprietary" Or "Confidential." Proprietary or confidential information includes, but is not limited to business/financial information, medical records, and patient information. An explanation to DHS of how substantial competitive harm would occur if the information were released is required. DHS will maintain the confidentiality of the information to the extent allowed by law.

21.700 Acceptance of Proposals

DHS reserves the right to reject any or all proposals received or to cancel this RFP according to the best interest of the State.

DHS also reserves the right to waive minor irregularities in proposals providing such action is in the best interest of the State.

Where DHS may waive minor irregularities, such waiver shall in no way modify the RFP requirements or excuse an offeror from full compliance with the RFP specifications and other contract requirements if the offeror is awarded the contract.

DHS also reserves the right to consider as acceptable only those proposals submitted in accordance with all technical requirements set forth in this RFP and which demonstrate an understanding of the requirements. Any proposal offering any other set of terms and conditions contradictory to those included in this RFP may be disqualified without further notice.

21.800 Submission of Proposals

Each qualified offeror may submit only one (1) proposal. More than one proposal shall not be accepted from any offeror.

Four (4) bound and one (1) unbound copy of the proposal shall be received by the DHS Issuing Officer no later than 2:00 p.m. (HST) May 25, 2004. Any proposals received after 2:00 p.m. (HST) May 25, 2004, will be rejected and returned to the Offeror.

Proposals shall be mailed or delivered to:

Mr. Steven Kawada
c/o Dona Jean Watanabe
Department of Human Services
Med-QUEST Division/Finance Office
1001 Kamokila Blvd., Suite 317
Kapolei, Hi 96707

The outside cover of the package containing the proposal shall be marked:

Hawaii DHS/RFP-MQD-2005-001
Hawaii Immigrant Health Initiative Proposal
(Name of Offeror)

Any amendments to proposals shall be submitted in a manner consistent with this section.

21.900 Disqualification of Offerors

An offeror shall be disqualified and the proposal automatically rejected for any one or more of the following reasons:

- Proof of collusion among offerors, in which case all bids involved in the collusive action shall be rejected and any participant to such collusion shall be barred from future bidding until reinstated as a qualified offeror.
- An offeror's lack of responsibility and cooperation as shown by past work or services.
- An offeror's being in arrears on existing contracts with the State or having defaulted on previous contracts.
- An offeror's lack of proper provider network and/or sufficient experience to perform the work contemplated, if required.
- An offeror shows any noncompliance with applicable laws.
- An offeror's delivery of proposal after the deadline specified in the advertisement calling for bids.
- An offeror's failure to pay, or satisfactorily settle, all bills overdue for labor and material on former contracts with the State at the time of issuance of this RFP.
- An offeror's lack of financial stability and viability.
- An offeror's lack of a proposal bond.
- An offeror's consistently substandard performance related to meeting the MQD requirements from previous contracts.

22.100 Irregular Proposals

Proposals shall be considered irregular and rejected for the following reasons including, but not limited to the following:

- If either the proposal letter or transmittal letter is unsigned by an offeror or does not include notarized evidence of authority of the officer submitting the proposal to submit such proposal
- If the required proposal bond is not included in the envelope with the transmittal letter.
- If the proposal bond is not in accordance with the form or substance required by this RFP.
- If the proposal shows any non-compliance with applicable law or contains any unauthorized additions or deletions, conditional bids incomplete bids, or irregularities of any kind, which may tend to make the proposal incomplete, indefinite, or ambiguous as to its meaning.
- If an offeror adds any provisions reserving the right to accept or reject an award, or enter into a contract pursuant to an award, or adds provisions contrary to those in the solicitation.

22.200 Rejection of Proposals

The State reserves the right to consider as acceptable only those proposals submitted in accordance with all requirements set forth in this RFP and which demonstrate an understanding of the problems involved and comply with the service specifications. Any proposal offering any other set of terms and conditions contradictory to those included in this RFP may be rejected without further notice.

A proposal may be automatically rejected for any or more of the following reasons: (Relevant sections of the HAR for Chapter 103F, HRS are parenthesized)

- (1) Rejection for failure to cooperate or deal in good faith (Section 3-141-201)
- (2) Rejection for inadequate accounting system (Section 3-141-202)
- (3) Late Proposals (3-143-603)
- (4) Inadequate response to request for proposals (Section 3-143-609)
- (5) Proposal not responsive (Section 3-143-610 (1))
- (6) Offeror not responsible (Section 3-143-610(2))

22.300 Opening of Proposals

Upon receipt of proposal by a state purchasing agency at a designated location, proposals, modifications to proposals, and withdrawals of proposals shall be date-stamped and, when possible, time-stamped. All documents so received shall be held in a secure place by the state purchasing agency and not examined for evaluation purposes until the submittal deadline.

Procurement files shall be open to the public inspection after a contract has been awarded and executed by all parties.

22.400 Award Notice

The notice of contract award, if any, shall be sent by mail to the selected offeror on or about June 1, 2004. The contract award is subject to available funding. Any agreement arising out of an offer is subject to the approval of the Department of Attorney General as to form and to all further approvals, including the approval of the Governor as required by state, regulation, rule, order, or other directive.

22.500 Dispute on Award of Contract

Offerors may file a protest against the awarding of the contract as long as an original and two copies of the protest is served upon the head of the state purchasing agency that conducted the protested procurement, and the procurement officer who handled the protested procurement, by United States mail, or by hand-delivery. A Notice of Protest regarding an award of contract and related matters that arise in connection with a procurement made under a competitive purchase of services shall be served within five working days of the postmark of the notice of findings and decision sent to the protester. The Notice of Protest form, SPO-H-801, is available on the SPO website www2.hawaii.gov/spoh. Only the following may be protested:

- (1) a state purchasing agency's failure to follow procedures established by Chapter 103F of the Hawaii Revised Statutes;
- (2) a state purchasing agency's failure to follow any rule established by Chapter 103F of the Hawaii Revised Statutes; and

- (3) a state purchasing agency's failure to follow any procedure, requirement, or evaluation criterion in a RFP issued by the state purchasing agency.

Head of State Purchasing Agency	Procurement Officer
Name: Lillian B. Koller, Esq.	Name: Steve Kawada
Title: Director	Title: Procurement Officer
Mailing Address: P.O. Box 339 Honolulu, Hawaii 96809-0339	Mailing Address: P.O Box 700190 Kapolei, Hawaii 96709-0190
Business Address: 1390 Miller St. Honolulu, Hawaii 96813	Business Address: 601 Kamokila Boulevard, Room 518 Kapolei, Hawaii 96707

SECTION 30 BACKGROUND

30.100 Background

In the United States, the principle of self-sufficiency has historically been the basis for immigration law and national policy. The orientation towards public benefits therefore, has been predicated on the view that:

- 1) Immigrants within the nation's borders should not depend on public resources to meet their needs, but rather rely on their own capabilities and the resources of their families, their sponsors, and private organizations, and
- 2) The availability of public benefits should not constitute an incentive for immigration to the United States.

The Personal Responsibility and Work Opportunity Reconciliation Act, enacted by Congress in 1996, was borne out of a growing concern that in spite of the self-sufficiency principle, immigrants have been applying for and receiving public benefits from Federal, State and local governments at increasingly alarming rates. Additionally, it was generally acknowledged that existing public assistance eligibility rules could not achieve the compelling governmental interest of assuring that immigrants, in accordance with national immigration policy, would be self-reliant.

To address these concerns, Congress passed *The Personal Responsibility and Work Opportunity Reconciliation Act of 1996*, Public Law No. 104-193, 110 Stat. 2105-2355 (hereinafter "the Welfare Reform Act") that mandatorily banned most immigrants from receiving federally funded public benefits for the first five (5) years after entry into the United States. As it relates to medical assistance, since the enactment of the Welfare Reform Act, most immigrants arriving in the United States on or after August 22, 1996 have been barred from Medicaid eligibility.

Under the *Welfare Reform Act*, States were given the option to provide or continue to provide federal Medicaid coverage:

- 1) to immigrants who entered the United States prior to August 22, 1996; and
- 2) to those immigrant entering the United States on or after August 22, 1996 after their first five years of residency. In keeping with Hawaii's long history of *Aloha* for our immigrant populations, the State has elected to implement both options.

30.200 Statement of Need

To address the situation created by the Welfare Reform Act, the 1997 Hawaii State Legislature appropriated funds for each year of the biennium. These monies have been earmarked to provide medical coverage for legal immigrants who, as a result of the Welfare Reform Act, have been prohibited from participating in the Medicaid Program. The state funded Hawaii Immigrant Health Initiative (IHI) is intended to provide a safety net for those legal adult (over the age of 19) immigrants who are ineligible for QUEST or the Medicaid fee-for-service programs solely due to their immigrant status.

SECTION 40 SCOPE OF SERVICES

40.100 Target Population

The medical services provided under the Hawaii Immigrant Initiative shall be available to:

1. All Immigrants who entered the United States on or after August 22, 1996 and are not eligible for federally funded medical assistance for the first five years of residency in the United States except for emergency medical services as mandated by the alien provisions in the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996.
2. Aliens who are "permanently residing in the United States under color of law" (PRUCOL).
3. Citizens from countries that have compacts of free association (CFA) with the United States.
4. Legal immigrants whose time-limited federally funded medical coverage ended as mandated by the PRWORA of 1996. This includes individuals documented by the Immigration and Naturalization Service (INS) as refugees, Cuban/Haitian entrants, asylees and individuals whose deportation has been withheld.

Individuals under the age of 19 (whose family FPL is less than 200 %) and who are identified as eligible for medical assistance under the authority of HRS 346-59-4, but, who have not been enrolled in a QUEST plan, may receive services under the IHI Contract for a period not to exceed two consecutive months to allow for the application process for the QUEST Program.

40.200 Offeror's Role

It is expected that each qualified organization will address and perform the tasks set forth in the RFP. It is also understood that this listing of tasks and activities is not all-inclusive and that other elements of work may be addressed within the offeror's proposal, if deemed appropriate.

The contractor shall be required to perform the following:

1. Determination of eligibility for each individual seeking coverage for primary care services through Hawaii's Immigrant Health Initiative, to include monitoring of continued appropriate eligibility.
2. Provision of primary care services on a Statewide basis for adult legal resident aliens, whom, but for the *Welfare Reform Act* restrictions, would be eligible for Medicaid coverage. The contractor has the responsibility to cover only those services that are covered under Medicaid.
 - These services shall be limited to primary care clinical services to include health assessment, physical examinations, acute/episodic care, preventive care, chronic care, follow-up, referrals, prescription medication, emergency dental services, translation services and transportation services.
 - Specialty care services may also be provided as deemed medically necessary by the provider. Inpatient services are not a covered benefit in the scope of this RFP. Emergency medical services shall not be covered, as they are available and accessible through the State's Medicaid program.
3. Implementation of an internal mechanism to process and resolve enrollee and provider complaints, grievances and appeals relating to the execution of this contract.
4. Preparation and submittal of reports required by the Department of Human Services (DHS).

40.300 Reimbursement

Performance of primary care services stipulated in this RFP shall be reimbursed by the contractor to the provider of service at the rate of \$80.00 per health service encounter.

- Administrative costs paid to the contractor shall not exceed a maximum of 10% of the total appropriated funds. Administrative costs shall be reimbursed on a quarterly basis, based on 10% of the billed invoice that is submitted for provider services.
- Specialty care encounters shall be reimbursed as additional services beyond the primary care encounter. Reimbursement rates shall be based on and not to exceed Medicare guidelines.
- The contractor shall establish its reimbursement system with individual providers/facilities.
- Upon submission of the RFP reporting requirements, at the end of the fiscal year, if there are remaining funds that have not been expended for medical services, DHS shall use these funds to create a Supplemental Payment Pool (SPP). This pool will then be given to the contractor to disburse among its participating network of primary care providers in an equitable manner. All encounters are eligible for SPP payments except specialty care services. The methodology for distribution of the pool shall be such that the total reimbursement per encounter, including the SPP will not exceed \$130 per encounter. The \$130.00 is the average cost that DHS believes is incurred in providing one medical service encounter.
- The contractor will be reimbursed for administering the SPP at an amount not to exceed 10% of the total amount of the available SPP. The 10% administrative payment will be reimbursed to the contractor upon a submitted invoice (subject to approval from the MQD) at the time the SPP reimbursement is provided.
- The exact method of distribution of the SPP is left to the discretion of the contractor; however, DHS must approve the methodology of payment before the disbursement of funds.
- If the total dollar amount appropriated by the State legislature for the Immigrant Health Program has been expended prior to the end of the fiscal year, there will be no cost-related supplemental payments.

On a per fiscal year basis, the State's total expenditure for all services provided under this RFP shall not exceed the \$550,000 in State funds appropriated by the Hawaii State Legislature. Funds will be disbursed to subcontracted providers on a first come, first served basis until the \$550,000 in State funds are expended.

DHS payment shall be made on a quarterly basis to the contractor, upon receipt of an accurate and timely quarterly invoice, meeting all DHS specifications and documenting the total number of covered encounters for the specified months.

The first payment shall consist of one fourth (\$137,500) of the total amount available (\$550,000) and will be paid by DHS, after the end of the first quarter (September 31, 2004) and upon approval of required reporting information and submitted invoice. The remainder of the available funds will be paid on a quarterly basis following the submission of the reporting requirements and an invoice (subject to approval from MQD) for provider services.

40.400 Eligibility Criteria

The contractor shall be responsible for performing eligibility determination functions to ensure that individuals seeking coverage of primary care services under the Hawaii IHI would have been QUEST/Medicaid eligible if not for their date of arrival into the United States.

The contractor shall therefore, ensure that prior to service provision, each applicant is screened to determine if the following eligibility criteria are met:

- ☐ Date of entry into the United States is on or after August 22, 1996.
- ☐ Is not admitted into the United States for a temporary period, such as visitors/tourists, diplomats and students admitted into the United States who have no intention of abandoning residence in a foreign country.
- ☐ Is a Hawaii resident.
- ☐ Is not living in a public institution.

- ☐ Is not eligible for or does not receive other health coverage/benefits, including Medicaid.
- ☐ With income not exceeding the following limits:
 - 185% of the federal poverty limit (FPL) for pregnant women
 - 100% of the FPL for all other individuals
- ☐ With assets not exceeding the following limits:
 - \$2,000 for a household of one
 - \$3,000 for a household of two
 - \$250 for each additional minor child in the household

The asset limits do not apply to pregnant women and children under nineteen who were born after September 30, 1983.

Assets excluded from consideration shall include:

- The home property
- Household items to include clothing, furniture, and appliances
- One wedding and one engagement ring
- Motor vehicles used for ground transportation
- A bonafide funeral plan or agreement for each individual in the household
- One burial space per family
- Bonafide loans
- Payments under the Radiation Exposure compensation Act
- Educational grants or scholarship from sources other than those listed that are obtained or used under conditions that preclude their use for current living expense. students

Countable assets shall include, but are not limited to:

- Checking Accounts
- Savings Accounts
- Credit Union Accounts
- Interest Income
- Cash on hand
- Stocks/bonds
- Mutual fund shares
- Money market/Time certificates
- Governmental bonds
- IRA/KEOGH/Deferred compensation

- Trusts-(depending on the trust)
- Non-exempt motor vehicles
- Equity in property not used as the family home
- Non-exempt burial plots/vaults
- Life insurance cash values
- Equity in profit sharing
- Federal and State tax refunds
- Precious metals, etc.
- Business equity
- Boats, trailers, etc.
- Jewelry or other personal property

40.500 Eligibility Determination

The offeror shall describe the process to be used to determine each applicant's eligibility for services. At a minimum, the description shall include:

- The eligibility determination process/mechanisms from application through enrollment, including any related automated data processing capabilities
- The methods to be used to verify information on the application form
- The location(s) at which, and the manner in which applications will be made available
- The site(s) at which eligibility determination activities will be performed
- Identification of the personnel who will perform eligibility determination activities
- The expected turn-around time from receipt of a completed application to the determination of eligibility, enrollment, and service provision
- Site(s) and manner in which completed applications, supporting documents and eligibility determination forms will be stored
- How applicants will be informed about final disposition regarding their eligibility and enrollment
- Mechanisms for providing translation services, if needed
- Any mechanisms that will allow eligible immigrants and providers to verify eligibility and identify a enrollee's primary care provider

40.600 Medical Services to be Provided

Access to primary health care services such as prenatal, perinatal, pediatric, family planning and adult primary care services are intended to reduce morbidity and mortality by providing timely, appropriate and less expensive care, thereby, preventing the development and exacerbation of more serious health conditions.

1. The services that the offeror shall provide for eligible adults shall include:
 - Health assessments/physical examinations
 - Acute/episodic care
 - Preventive care and education
 - Chronic care
 - Specialty care
 - Follow-up care
 - Prescription drugs and supplies
 - Emergency dental services
 - Transportation if the individual cannot obtain medical services because of lack of transportation.
 - Air transportation if medical services are not available within a reasonable geographic area or on the island of residency

As related to specific services within the primary care services realm:

- Tuberculin testing/reading and immunizations must be administered within the context of comprehensive preventive health visits and documented appropriately; and
 - Family planning visit types shall be limited to gynecological assessment, family planning counseling, contraceptive method education, FDA approved contraceptive methods, contraceptive management, yearly PAP smear, and related follow-up.
2. Specialty care services may be provided as determined medically necessary. Under no circumstances are services that are excluded from Medicaid coverage to be provided under this RFP.

3. The contractor shall ensure that emergency services as defined below are not reimbursed through the Immigrant Health Initiative program because aliens who are not eligible for non-emergency medical services are eligible for emergency medical services under Medicaid.

Emergency services are defined in the Hawaii Administrative Rules, Title 17, Subtitle 12 Med-QUEST Division, Chapter 1723 Medical Assistance to Aliens and Refugees, Subchapter 2 Emergency Medical Assistance for Aliens Who Do Not Qualify For Non-Emergency Medical Assistance Under Title XIX, §17-1723-5 Eligibility requirements as:

"...a medical condition, including emergency labor and delivery, manifesting itself in acute symptoms of sufficient severity such that the absence of immediate medical attention could be expected to result in:

- (1) Placing the patient's health in serious jeopardy; or
- (2) Serious impairment to bodily functions; or
- (3) Serious dysfunction to any bodily organ or part."

4. Additionally, the offeror shall ensure that health care services covered in this RFP are provided in accordance with established standards of care and practice, including but not limited to the following:
 - Provision of services in a timely manner with reasonable waiting times for office visits and the scheduling of appointments.
 - Provision of services in a manner that is sensitive to the cultural diversity of enrollees as well as the particular needs of persons with disabilities.
 - Provision of the option to select their primary care provider as well as the opportunity for enrollees to participate in decisions regarding their care.
 - An emphasis on health promotion and prevention as well as early diagnosis and treatment, health maintenance and continuity of care.
 - Appropriate use of services in the provision of care by providers.
 - Appropriate use of technology in the provision of care by providers.

- Appropriate documentation of the assessment and treatment of enrollees, in accordance with defined standards.
- Compliance with federal and state confidentiality statutes and standards.

40.700 Provider Network

1. The offeror shall develop and maintain a sufficient provider network on a statewide basis, capable of providing the services covered under this RFP to eligible immigrants. Providers should be knowledgeable about and sensitive toward the health care needs of the children and adult immigrants seeking IHI coverage. It is expected that the offeror will provide qualified providers to meet the health care services delineated in the RFP. All providers of service must meet applicable State and Federal regulations such as licensing, certification, and recertification requirements appropriate for each provider type.
2. In terms of service accessibility, the offeror shall ensure the eligible immigrants can obtain the services covered under this RFP within the following acceptable wait times:
 - Appointments within 24 hours for urgent care; and
 - Appointments within six (6) weeks for routine and preventive care.

The offeror shall also be required to develop and provide informational and/or educational material about the services to be provided, including: the type of and availability of services, the eligibility requirements, the offeror's provider network, the hours of service, how to access urgent, routine and preventive care as well as information about the offeror's grievance procedure.

40.800 Complaints, Grievances and Appeals Process

Grievance procedures are an integral component of a quality improvement process, helping to ensure quality of care and an effective delivery system. The offeror shall therefore, have an internal mechanism in place to accept, document, process, adjudicate, and track expressions of dissatisfaction by

applicants/enrollees or their designated representative(s). The offeror shall ensure that applicants/enrollees are informed about the grievance process as well as how the process can be accessed.

At a minimum, the following shall be grounds for invoking the internal grievance procedure:

1. Dissatisfaction with the quality of care or services
2. Excessive waiting for services in spite of a scheduled appointment
3. Allegation of inappropriate behavior by any service provider
4. Failure to answer the telephone within regular business hours
5. Misinformation or lack of information or both of any of the services covered under this RFP
6. Denial of eligibility

Additionally, the offeror's internal procedures shall be in accord with the following requirements:

1. Resolution of the expression of dissatisfaction at each level (complaint, grievance and appeal levels) of the grievance process within thirty (30) calendar days of receipt
2. An internal grievance committee with the authority to take corrective action as needed
3. Written notification to the enrollee of any adverse decision and information about the next level of the offeror's grievance process
4. Written notifications and decisions sent to the member shall be copied to the MQD

40.900 Data Processing Capabilities

The offeror shall have an information system with the capacity to collect, process, and maintain data/information as well as generate required reports. At a minimum, the offeror shall have a data processing system that is capable of:

- tracking eligibility, enrollment/disenrollment of enrollees into/from the program
- processing payments to providers accurately and in a timely manner
- billing the State accurately and in a timely manner
- tracking and monitoring its expenditures to ensure it does not exceed its allocation
- providing encounter data
- maintaining a registry of qualified providers, and
- generating required reports.

41.100 Reporting Requirements

The offeror shall submit the following reports:

1. Quarterly eligibility/enrollment report that shall include:
 - Recipient's name
 - Social Security Number (SSN)
 - If a SSN number is not available other identification must be presented such as an appropriate INS form or a passport
 - Date of enrollment
 - Date of birth
 - Gender
 - Ethnicity
 - Date of entry into the United States
2. Quarterly encounter data report that shall include for each billable visit:
 - Recipient's identifier (name or number)
 - Provider identifier
 - Date of service
 - Diagnosis (ICD-9 diagnosis codes)
 - CPT codes and/or HCPCS procedures codes
3. Quarterly complaints, grievances and appeals report.
4. The offeror shall also report the following:
 - Written notification of changes in the offeror's provider network that impact its ability to ensure the availability and accessibility to services on a statewide basis, and how the offeror intends to address any resultant voids.

Notification of lawsuits against the offeror, license suspensions or other actions brought against the offeror or a provider within seven working days after the offeror is aware of any such actions.

41.200 Administrative Requirements

The offeror, including any subcontractor, shall have the skills, abilities, knowledge of, and a minimum of 3 years of experience in provision of health care services to immigrant populations, particularly low-income immigrants.

The offeror shall have in place adequate organizational and administrative systems that are capable of implementing contractual requirements on a statewide basis.

- ❑ Staff shall be designated within the organization to perform the following functions:
 - Primary oversight of the program
 - Serve as the offeror's key contact for the contract
 - Oversee the eligibility determination functions
 - Ensure appropriate implementation of the complaints, grievances, and appeals process for enrollees as well as providers
 - Oversee the business systems, including the budget and accounting system to ensure receipt, timely processing and payment of all claims for covered encounters, and submission of financial reports and invoices
 - Information system staff capable of ensuring timely and accurate submission of encounter data and other required information and reports
 - Training of staff/providers to ensure consistent application/ implementation of program requirements (i.e. eligibility determination/ enrollment; primary care service provision; complaints, grievances, appeals process; data processing requirements; generation of required reports)
 - Enrollee and Provider relations
 - Confidentiality/Privacy Compliance

SECTION 50 TERMS AND CONDITIONS

50.100 General

This RFP, any amendments, appendices, and an offeror's proposal submitted in response to this RFP form an integral part of the contract between the offeror and DHS. In exchange for payment from DHS for Immigrant Health, the offeror agrees to provide the services as described in this RFP. The offeror shall perform all of the services and shall develop, produce, and deliver to DHS all of the data reports described in this RFP. DHS shall make payment as described in this RFP.

In the event of a conflict between the contract or agreement, and applicable statutes and regulations, the latter shall prevail. In the even of a conflict among the contract documents, the order of precedence shall be as follows: (1) Agreement, including all general conditions, special conditions, attachments and addenda; (2) the RFP, including all attachments and addenda; and (3) offeror's proposal. In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control. The sections of the rules and regulations cited in this RFP may change as the rules and regulations are amended for QUEST. No changes shall be made to this RFP due to changes in the section numbers. The documents in the documentation library shall be changed as needed. The availability and extent of the materials in the documentation library shall have no effect on the requirements stated in this RFP.

The contract shall be construed in accordance with the laws of the State of Hawaii.

The offeror shall comply with all laws, ordinances, codes, rules and any way affect its performance under the contract. The standard State general terms and conditions found in Appendix C shall become part of the contract between the Contractor and the State.

The offeror shall pay all taxes lawfully imposed upon it with respect to the contract or any product delivered in accordance herewith. DHS makes no representations whatsoever as to the

liability or exemption from liability of an offeror to any tax imposed by any governmental entity.

The offer shall be executed by the Hawaii Department of Human Services in accordance with the Hawaii Revised Statutes, Chapter 103F, and the administrative rules promulgated thereunder.

50.200 Term of the Contract

The term of this contract shall be from July 1, 2004 through June 30, 2006, or until the total State fund appropriation of \$550,000 per fiscal year is expended, whichever comes first.

DHS shall have the option to extend the contract with the Contractor for one (1) additional fiscal year contingent upon additional appropriation by the Hawaii State Legislature and situations stated in RFP section 30.200 above.

The offeror acknowledges that other unanticipated uncertainties may arise that may require an increase in the original scope of services from the Contractor awarded this contract. In the event that additional services may be required, the Contractor agrees to enter into a supplemental agreement upon request by the State for the additional work. The supplemental agreement may also include an extension of the period of performance and a respective increase in the compensation.

This is a multi-term contract solicitation that has been deemed to be in the best interest of the State by the Director of Human Services. The contract is for the initial period of July 1, 2004 to June 30, 2006. Unless terminated, the contract shall be extended without the necessity of re-bidding, for not more than one (1) additional 12-month period or parts thereof, upon mutual agreement in writing, at least sixty (60) days prior to expiration of the contract, provided that the contract price for the extended period shall remain the same or lower than the initial bid price or as adjusted in accordance with the CONTRACT PRICE ADJUSTMENT provision herein. Funds are available for only the initial term of the contract, and the contractual obligation of both parties in each fiscal period succeeding the first initial term is subject to the appropriation and availability of funds to DHS.

The contract will be cancelled only if funds are not appropriated or otherwise made available to support continuation of performance in any fiscal period succeeding the initial term of the contract; however this does not affect either the State's rights or the Contractor's rights under any termination clause of the contract. The State must notify the Contractor, in writing, at least sixty (60) days prior to the expiration of the contract whether funds are available or not available for the continuation of the contract for each succeeding contract extension period. In the event of cancellation, as provided in this paragraph, the Contractor will be reimbursed for the unamortized, reasonably incurred, nonrecurring costs, in accordance with HRS 103F-315(c) and § 3-122-149 (g), HAR.

50.300 Contract Changes

Administrative, procedural and system changes to this contract for the scope of the work as defined in this RFP shall be accomplished by written contract amendment. There are two types of contract amendments.

- Administrative and procedural changes shall be made utilizing a process whereby a contract amendment is written describing the new or changed requirement, approved as to form by the Department of Attorney General, and signed by the Director of DHS and the authorized representative of the Contractor
- Changes to the scope of services to be provided by a Contractor shall be negotiated by the parties and rates established. If the parties reach an agreement, the contract terms shall be modified accordingly by a written amendment signed by the Director of DHS and an authorized representative of the Contractor

If the parties are unable to reach an agreement within 30 days of the Contractor's receipt of a contract change, the MQD administrator shall make a determination as to the revised price, and the Contractor shall proceed with the work according to a schedule approved by DHS, subject to the Contractor's right to appeal the MQD administrator's determination of the price.

50.400 Inspection of Work Performed

DHS, the State Auditor of Hawaii, Medicaid Investigation Division of the Department of the Attorney General or their authorized representatives shall, during normal business hours, have the right to enter into the premises of the offeror and/or all subcontractors and providers, or such other places where duties under the contract are being performed, to inspect, monitor, or otherwise evaluate the work being performed. The offeror and/or all subcontractors and providers shall provide access to all records and data which may be required to administer this program, including medical records, without the prior approval of the members. All inspections and evaluations shall be performed in such a manner to not unduly delay work.

50.500 Subcontracts/Provider Agreements

The contractor is allowed to negotiate and contract or enter into contracts or agreements with providers and other subcontractors to the benefit of the offeror as long as the providers and subcontractors meet all established criteria and provide the services in a manner consistent with the minimum standards specified. All such agreements shall be in writing. Certain subcontracts, including but not limited to Quality Assurance activities, must be approved by DHS prior to implementation. DHS reserves the right to inspect all subcontract and provider agreements at any time during the contract period.

No subcontract or agreement that an offeror enters into with respect to the performance under this contract shall in any way relieve an offeror of any responsibility for any performance required of it by this contract. The contractor shall provide DHS immediate notice in writing by registered or certified mail of any action or suit filed against it by any subcontractor or provider, and prompt notice of any claim made against an offeror by any subcontractor or provider which in the opinion of the offeror may result in litigation related in any way to the contract with the State of Hawaii. The contractor shall designate itself as the sole point of recovery for any subcontractor or provider. DHS has the authority to require a medical plan to remove a provider from its network if the provider fails to meet or violates any State, Federal laws, rules, and regulations.

The contractor shall notify DHS at least fifteen days prior to adding or deleting provider or subcontractor agreements or making any change to any provider or subcontractor agreements which may materially affect the offeror's ability to fulfill the terms of this contract.

All agreements or contracts with the subcontractors or providers shall be finalized and fully executed within 30 days of the bid award. DHS reserves the right to review any subcontractor or provider contracts or agreements prior to the notification of award of the contract.

50.600 Wages, Hours and Working Conditions of Employees Providing Services

Services to be performed by the Contractor and its subcontractors or providers shall be performed by employees paid at wages or salaries not less than the wages paid to public officers and employees for similar work. Additionally, the Contractor shall comply with all applicable laws of Federal and State government relative to workers compensation, unemployment compensation, and payment of wages and safety.

50.700 Standards of Conduct

The Contractor shall certify that the Contractor (1) has not been represented or assisted personally in the proposal nor has been represented in the procurement process by a person who has been an employee of DHS in the preceding year and has participated in the current Medicaid program operation, (2) has not been assisted or represented by a legislator or employee (as defined in Section 84-3 HRS) for a fee or other compensation to obtain the contract, or (3) will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of the contract, if the legislator or employee was involved in the development or award of the contract. The Contractor shall execute the Contractor's Standards of Conduct Declaration, a copy of which is found in Appendix H, and which shall become part of the contract between the Contractor and the State.

50.800 Fraud and Abuse/Neglect

Through its monitoring activities, the IHI contractor should identify providers who may be committing fraud and/or abuse. The offeror's activities may include, but are not limited to, monitoring the billings of its providers to ensure members receive services for which the contractor is billed; investigating all reports of suspected fraud and over-billings (upcoding, unbundling, billing for services furnished by others and other over-billing practices), reviewing providers for over or under-utilization, verifying with members the delivery of services as claimed, and reviewing and trending consumer complaints on providers.

The IHI contractor shall promptly report to the Med-QUEST Division, Health Coverage Management Branch instances in which suspected fraud has occurred. The IHI contractor should provide any evidence it has on the providers' billing practices (unusual billing patterns, services not rendered as billed, same services billed differently and/or separately). If the provider is not billing appropriately, but the IHI contractor does not believe the inappropriate billing meets the definition of fraud (i.e., no intention to defraud), the IHI contractor should provide education and training to its provider.

50.900 Disputes

Any dispute concerning a question of fact arising under the contract, which is not disposed of by an agreement, shall be decided by the Director of DHS or his/her duly authorized representative who shall reduce his/her decision to writing and mail or otherwise furnish a copy to the Contractor within ninety days after written request for a final decision by certified mail, return receipt requested. The decision shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious or arbitrary, or so grossly erroneous as necessary to imply bad faith. In connection with any dispute proceeding under this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of his/her dispute. The Contractor shall proceed diligently with the performance of the contract in accordance with the disputed decision pending final resolution by a circuit court of this State.

Any legal proceedings against the State of Hawaii regarding this RFP or any resultant contract shall be brought in a court of competent jurisdiction in the City and County of Honolulu, State of Hawaii.

51.100 Audit Requirements

The State standards for audits of DHS agents, contractors and programs conducted under the contract are applicable to this subsection and are incorporated by reference into this RFP. DHS may inspect or audit any financial records of an Offeror and its subcontractors or providers.

51.200 Offeror Accounting Records Requirements

The offeror shall, in accordance with generally accepted accounting practices, maintain fiscal records and supporting documents and related files, papers and reports that adequately reflect all direct and indirect expenditures and management and fiscal practices related to the offeror's performance of services under this contract.

The offeror's accounting procedures and practices shall conform to generally accepted accounting principles and the costs properly applicable to the contract shall be readily ascertainable from the records.

51.300 Confidentiality of Information

The contractor agrees that all information, records and data collected in connection with this contract shall be protected from unauthorized disclosures. In addition, the contractor agrees to guard the confidentiality of applicant and recipient information. The contractor shall not disclose confidential information to any individual or entity except in compliance with:

- CFR Part 431, Subpart F;
- the Administrative Simplification provisions of Title II of the Health Insurance Portability and Accountability Act of 1996, Pub. Law 104-191 (HIPAA) and all regulations promulgated thereunder; including but not limited to the Security and

Privacy requirements set forth in 45 C.F.R. Parts 160 and 164, and the Administrative Requirements set forth in 45 C.F.R. Part 162 (if applicable);

- HRS § 346-10; and
- All other applicable Federal and Hawaii statutes and administrative rules.

The Contractor is cautioned that Federal and State Medicaid rules, and some other Federal and State statutes and rules, are often more stringent than the HIPAA regulations. Moreover, for purposes of this contract, the Contractor agrees that the confidentiality provisions contained in HAR Chapter 17-1702 shall apply to Contractor to the same extent as they apply to MQD.

Any other party shall be granted access to confidential information only after complying with the requirements of State and Federal laws and regulations pertaining to such access. The DHS shall determine if and when any other party has properly obtained the right to have access to this confidential information. Nothing herein shall prohibit the disclosure of information in summary, statistical or other form that does not identify particular individuals, provided that deidentification of protected health information must be in compliance with the HIPAA Privacy Rule.

Contractor acknowledges that the Security Standards for the Protection of Electronic Protected Health Information, 45 CFR Part 160 and Part 164, Subpart C (the Security Rule), promulgated under the HIPAA, are effective April 20, 2005, and that Contractor will be required to enter into a supplemental agreement with terms deemed necessary by the State to evidence State's compliance with the requirements of section 164.314 of the Security Rule.

Contractor is a business associate of the DHS as that term is defined in 45 C.F.R. §160.103, and agrees to the terms of the Business Associate agreement provisions attached as Appendix F, which shall become part of the contract between the Contractor and the State.

51.400 Liquidated Damages

DHS acknowledges that in the event of breach of this contract, it would be difficult to measure damages. Therefore, in the event of any breach of the terms of the contract by the Contractor, liquidated damages shall be assessed against the Contractor in an amount equal to the costs of obtaining alternative services for the members. The damages shall include the difference in the administrative rates paid to the Contractor and the rates paid to a replacement contractor.

Notwithstanding the above, a Contractor shall not be relieved of liability to the State for any damages sustained by the State due to the Contractor's breach of the contract.

DHS may withhold from payments to a Contractor, amounts for liquidated damages until such damages are paid in full

51.500 Performance Bond

The performance bond shall be liable to forfeit by the contractor in the event the contractor is unable to properly, promptly and efficiently perform the contract terms and conditions and/or the contract is terminated by default or bankruptcy of the Contractor. The contractor shall obtain a performance bond, with the Department of Human Services, State of Hawaii designated as the sole payee, in the amount of \$10,000.00 (Ten Thousand Dollars), issued by:

- a reputable surety company authorized to do business in the State of Hawaii conditioned upon the prompt, proper, and efficient performance of the contract, and shall submit the same to DHS prior to, or at the time of the execution of the contract (Appendix I-Exhibit B)
- Certificate of deposit; share certificate; or cashier's, treasurer's, teller's or official check drawn by, or a certified check and made payable to the Department of Human Services, State of Hawaii, issued by a bank, a savings institution, or credit union insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration, and payable at sight or unconditionally assigned to the procurement officer advertising for offers.

These instruments may be utilized only to a maximum of \$100,000 and must be issued by different financial institutions (Appendix I-Exhibit C).

51.600 Warranty of Fiscal Integrity

An offeror warrants that it is of sufficient financial solvency to assure DHS of its ability to perform the requirements of this contract. The offeror shall provide sufficient financial data and information to prove its financial solvency and shall comply with the solvency standards established by the State Insurance Commissioner for private health maintenance organizations.

51.700 Full Disclosure

The offeror warrants that it has fully disclosed all business relationships, joint ventures, subsidiaries, holding companies, or any other related entity in its proposal and that any new relationships shall be brought to the attention of DHS as soon as such a relationship is consummated.

The offeror shall not knowingly have a director, officer, partner, or person with more than 5% of the entity's equity, or have an employment, consulting, or other agreement with such a person for the provision of items and services that are significant and material to the entity's contractual obligation with the State, who has been debarred or suspended by the Federal government, and shall not, without DHS' prior approval, lend money or extend credit to any related party. The offeror shall fully disclose such proposed transactions and submit a formal written request for review and approval.

The offeror shall include such provisions in any contract or agreement made with subcontractors or providers.

51.800 Insurance

In addition to the insurance requirement in the general conditions found in Appendix C, the Contractor shall obtain, maintain, and keep in force throughout the period of the contract automobile liability insurance issued by an insurance company authorized to do business in the State of Hawaii, or meet the requirements of section 431.8-301, Hawaii Revised Statutes, if

utilizing an insurance company not licensed by the State of Hawaii and complying with the Hawaii No Fault Insurance Law. The coverage limits shall be at least THREE HUNDRED THOUSAND AND NO/100 DOLLARS (\$300,000.00), each person with respect to bodily injury and FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) each occurrence with respect to property damage. Prior to or upon execution of the contract, the Contractor shall furnish State with a Certificate of Insurance verifying the existence of such insurance. Such certificate shall also contain an endorsement that such insurance may not be cancelled, except upon thirty (30) calendar days written notice to the State of Hawaii.

Contractor's employees that are required to use personally owned vehicles to carry out services specified in the contract shall be required to have a valid driver's license and to use only vehicles with at least minimum no-fault coverage required by law.

51.900 Termination of the Contract

This contract may terminate or may be terminated by DHS for any or all of the following reasons in addition to the general conditions in Appendix C:

- For any default by the offeror
- In the event of the insolvency of or declaration of bankruptcy by the offeror
- In the event sufficient appropriated; otherwise unobligated funds no longer exist for the payment of DHS obligations hereunder

51.910 Termination for Default

The failure of an Offeror to comply with any term, condition, or provision of this contract shall constitute default by the Offeror. In the event of default, DHS shall notify the Offeror by certified or registered mail, return receipt requested, of the specific act or omission of the Offeror which constitutes default. The Offeror shall have 15 days from the date of receipt of such notification to cure such default. In the event of default, and during the above-specified grace period, performance under the contract shall continue as though the default had never occurred. In the event

the default is not cured in 15 days, DHS may, at its sole option, terminate the contract for default. Such termination shall be accomplished by written notice of termination forwarded to the Offeror by certified or registered mail and shall be effective at the close of business on the date specified in the notice. If it is determined, after notice of termination for default, that the Offeror's failure was due to causes beyond the control of and without error or negligence of the Offeror, the termination shall be deemed a termination for convenience.

DHS' decision not to declare default shall not be deemed a waiver of such default for the purpose of any other remedy an Offeror may have.

51.920 Termination for Bankruptcy or Insolvency

In the event that the contractor shall cease conducting business in the normal course, become insolvent, make a general assignment for the benefit of creditors, suffer or permit the appointment of a receiver for its business or its assets or shall avail itself of, or become subject to, any proceeding under the Federal Bankruptcy Act or any other statute of any State relating to insolvency or the protection of the rights or creditors, DHS may, at its option, terminate this contract. In the event DHS elects to terminate the contract under this provision it shall do so by sending notice of termination to the contractor by registered or certified mail, return receipt requested. The date of termination shall be deemed to be the date such notice is mailed to the contractor, unless otherwise specified.

51.930 Termination for Unavailability of Funds

Notwithstanding any other provision of this contract, the parties hereto agree that the charges hereunder are payable by the DHS solely from appropriations received by DHS from the Legislature of the State of Hawaii. In the event such appropriations are determined, at the sole discretion of the Director of DHS, no longer to exist, or to be insufficient with respect to the charges payable hereunder, this contract shall terminate without further obligation of DHS as of that moment. In such event, the Director of DHS shall certify to the contractor the occurrence thereof, and such certification shall be conclusive.

52.100 Procedure for Termination

Regardless of the circumstances of the termination (for reasons by Offeror or State) the contracting organization shall:

- Stop work under the contract on the date and to the extent specified in the notice of termination.
- Notify the members of the termination and assist the State in an orderly transition to the new Contractor.
- Place no further orders or subcontracts for materials, services, or facilities, except as may be necessary for completion of the work under the portion of the contract that is not terminated.
- Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the notice of termination.
- Assign to DHS in the manner and to the extent directed by the Med-QUEST Administrator of the right, title, and interest of the contractor under the orders or subcontracts so terminated, in which case DHS shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.
- With the approval of the Med-QUEST Administrator, settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, the cost of which would be reimbursable in whole or in part, in accordance with the provisions of the contract.
- Complete the performance of such part of the work as shall not have been terminated by the notice of the termination.
- Take such action as may be necessary, or as the Med-QUEST Administrator may direct, for the protection and preservation of any and all property or information related to the contract which is in the possession of the contractor and in which DHS has or may acquire an interest.

- Within 10 working days from the effective date of the termination, deliver to DHS copies of all current data files, program documentation, and other documentation and procedures used in the performance of the contract at no cost to DHS. The contractor agrees that DHS or its agent shall have a non-exclusive, royalty-free right to the use of any such documentation.

52.200 Termination Claims

After receipt of a notice of termination, the contractor shall submit to the Med-QUEST Administrator any termination claim in the form and with the certification prescribed by the Med-QUEST Administrator. Such claim shall be submitted promptly but in no event later than six months from the effective date of termination. Upon failure of the contractor to submit its termination claims within the time allowed, the Med-QUEST Administrator may, subject to any review required by the State procedures in effect as of the date of execution of the contract, determine, on the basis of information available to him/her, the amount, if any, due to the contractor by reason of the termination and shall thereupon cause to be paid to the contractor the amount to be determined.

Upon receipt of notice of termination, the contractor shall have no entitlement to receive any amount for lost revenues or anticipated profits or for expenditures associated with this or any other contract. The contractor shall be paid only the following upon termination:

- For the services provided in the current quarter up to the time of the termination notice.
- At a price mutually agreed by the contractor and DHS.

In the event of the failure of the contractor and DHS to agree in whole or in part as to the amounts with respect to costs to be paid to the contractor in connection with the total or partial termination of work pursuant to this article, DHS shall determine on the basis of information available the amount, if any, due to the contractor by reason of termination and shall pay to the contractor the amount so determined.

The contractor shall have the right to appeal, any such determination made by the DHS.

52.300 Force Majeure

If the contractor is prevented from performing any of its obligations hereunder in whole or in part as a result of major epidemic, act of God, war, civil disturbance, court order or any other cause beyond its control, the contractor shall make a good faith effort to perform such obligations through its then-existing facilities and personnel; and such non-performance shall not be grounds for termination for default.

Neither party to this contract shall be responsible for delays or failures in performance resulting from acts beyond the control of such party.

Nothing in this section shall be construed to prevent DHS from terminating this contract for reasons other than default during the period of events set forth above, or for default if such default occurred prior to such event.

52.400 Conflict of Interest

The contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with its performance hereunder. The contractor further covenants that in the performance of the contract no person having any such interest is presently employed or shall be employed in the future.

52.500 Prohibition of Gratuities

Neither the offeror nor any person, firm or corporation employed by the offeror in the performance of this contract shall offer or give, directly or indirectly to any employee or agent of the State of Hawaii, any gift, money or anything of value, or any promise, obligation, or contract for future reward or compensation at any time during the term of this contract.

52.600 Attorney's Fees

In the event that DHS should prevail in any legal action arising out of the performance or non-performance of this contract, the

contractor shall pay, in addition to any damages, all expenses of such action including reasonable attorney's fees and costs. The term "legal action" shall be deemed to include administrative proceeding of all kinds, as well as all actions at law or equity.

52.700 Authority

Each party has full power and authority to enter into and perform this contract, and the person signing this contract on behalf of each party certifies that such person has been properly authorized and empowered to enter into this contract. Each party further acknowledges that it has read this contract, understands it, and agrees to be bound by it.

SECTION 60 TECHNICAL PROPOSAL

60.100 Introduction

This section describes the required content and format for the technical proposal. These sections are designed to ensure submission of information essential to understanding and evaluating the proposal. There is no intent to limit the content of the proposal, which may include any additional information deemed pertinent. It is mandatory that the offeror provide the information in the following order:

- Transmittal letter
- Executive Summary
- Company background and experience
- Organization and staffing
- Financial statements
- Eligibility determination section 40.500
- Service Delivery System
- Provider network to include:
 - Primary Care Physicians (PCP)
 - Specialty Physicians
- Data Processing and reporting capabilities to include:
 - Eligibility
 - Monthly and quarterly encounter reports by member/provider
 - Complaints, grievances and appeals Mechanism for access to primary care and referral services to include:
 - Psychosocial assessment
 - Case Management/Care coordination
 - Education and outreach
 - Family Planning
- Insurance certificate
- Proposal bond
- Federal and State tax clearance certificates

60.200 Transmittal Letter

The transmittal letter shall be on official business letterhead and shall be signed by an individual authorized to legally bind the offeror. It shall include:

- A statement indicating that the offeror is a corporation or other legal entity. All subcontractors shall be identified and a statement included indicating the percentage of work to be performed by the prime offeror and each subcontractor, as measured by percentage of total contract price. If subcontractors will not be used for this contract, a statement to this effect shall be included.
- A statement that the offeror is/will be registered to do business in Hawaii and has/will obtain a State of Hawaii General Excise Tax License by the start of work.
- A statement identifying all amendments and addenda to this RFP issued by the issuing office and received by the offeror. If no amendments or addenda have been received, a statement to that effect should be included.
- A statement of affirmative action that the offeror does not discriminate in its employment practices with regard to race, color, religion, creed, age, sex, national origin or mental or physical handicap, except as provided by law.
- A statement that neither cost nor pricing is included in this letter or the technical proposal.
- A statement that no attempt has been made or will be made by the offeror to induce any other party to submit or refrain from submitting a proposal.
- A statement that the person signing this proposal certifies that he/she is the person in the offeror's organization responsible for, or authorized to make, decisions as to the prices quoted, that the offer is firm and binding, and that he/she has not participated and will not participate in any action contrary to the above conditions.
- A statement that the offeror has read, understands, and agrees to all provisions of this RFP.
- A statement that it is understood that if awarded the contract, the offeror's organization will deliver the goods and services meeting or exceeding the specifications in the RFP and

amendments. Failure to enter into the contract upon award shall result in the forfeiture of the bid bond.

- A Hawaii excise tax number (if applicable).
- Registration Form completed and submitted (Appendix G)
- Standards of Conduct Declaration completed and submitted (Appendix H)

60.300 Executive Summary

The executive summary should provide DHS with a broad understanding of the entire proposal; the executive summary shall clearly and concisely condense and highlight the contents of the technical proposal in such a way as to provide MQD with a broad understanding of the Contractor's qualifications and approach to meeting the requirements of this RFP.

The executive summary chapter shall highlight the Contractor's:

- Understanding of the project requirements
- Understanding of the fee-for-service program
- Qualifications to serve as MQD contractor for the project
- Overall approach to the project and a summary of the contents of the proposal

60.400 Company Background and Experience

The company background and experience section shall include for the offeror and each subcontractor (if any): the background of the company, its size and resources (gross revenues, number of employees, type of businesses), and details of company experience relevant to the operation of managed care plans (type of plan, number of members, etc.). The key required information is provided below.

60.410 Background of the Company

A description of the history of the company to include but not limited to:

- Ownership of the company, including the officers of the corporation, and the name and address of its registered agent

- Provide a general description of the primary business of your organization and its client base
- Provide a brief history and current company ownership including the ultimate parent organization and major shareholders/principals. Include date incorporated or formed and corporate domicile. An out-of-state contractor must become duly qualified to do business in the State of Hawaii before a contract can be executed
- Date Company began operations
- Home office location and all other offices (by city and state)
- Location of office from which any contract would be administered
- Name, address and telephone number of the contractor's point of contact for a contract resulting from this RFP
- Number of employees both locally and nationally
- The size of organization in assets, revenue and people
- The areas of specialization

If the company operates a variety of businesses, the offer shall identify for each operation, the type of business, the date the business was established and began operations, the related gross revenues and total number of employees.

60.420 Company Experience

The details of company experience including subcontractor experience, relevant to the proposal shall include but not limited to the following:

- Experience in providing primary care services to immigrant populations
- Geographical areas served
- Identification of the immigrant groups served
- Cultural/linguistic services provided

- Total number of individuals served between July 1, 2002 and June 30, 2003. Provide a breakdown by age and sex
- A description of ongoing working relationships and coordination with immigrant organizations and/or organizations serving immigrant populations

60.500 Organization and Staffing

The organization and staffing section shall include organization charts of current personnel and resumes of all management, supervisory and key personnel. The offeror shall describe its ability to supervise, train and provide administrative direction relative to the proposed services.

The administrative structure of the organization should be described and organizational charts of current personnel and positions provided. Include résumé's of key management and supervisory personnel. The major functions of key organizational units should be described to establish an understanding of the relationship between these units.

60.510 Organization Charts

The organization charts shall show:

- All positions identified in section 41.200
- Relationships of the offeror to affiliated or subcontracted entities
- Organizational structure, lines of authority, functions and staffing between key units.

Key personnel responsible for overseeing the work specified in this RFP shall be identified and their resumes shall be submitted.

60.520 Personnel Resumes

The resumes of key personnel shall include, where applicable:

- Experience with the Medicaid and QUEST programs
- Experience with the target population

- Length of time with the offerors organization or a similar organization
- Previous relevant experiences
- Relevant education and training
- Names, positions titles and telephone numbers of at least two references whom can provide information on the individuals' experience and competence.

60.600 Financial Statements

Financial statements for the applicable legal entity or each partner if a joint venture shall be provided for each of the last three years, including at a minimum:

- Balance Sheets
- Statements of Income
- Statements of Cash flow
- Auditor's reports
- Amounts associated with related party transactions
- Management letters
- Federal Income Tax returns

60.700 Eligibility Determination

- The offer shall provide a description of its procedures for eligibility determination per section 40.400 and 40.500 of this RFP.

60.800 Service Delivery System

The offeror shall provide a description of:

1. Its service delivery system and how it intends to provide clinical primary care services and medically necessary specialty care services to eligible immigrant children (who are in the process of applying for QUEST) and adults on a statewide basis.

2. The offeror shall describe its care coordination system for identification and coordination of care for individuals with high-risk medical conditions..

60.900 Provider Network

1. The offeror shall provide its provider network, including an island-specific list of providers. At a minimum, all primary care providers shall be listed (primary care physicians as well as certified nurse midwives, nurse practitioners, and physician assistants).

The information on the provider list shall include:

- Provider's name
- Identification of each provider's specialty or type of practice/service and
- Provider's address, including city and zip code

For clinics serving in the capacity of a primary care provider, the offeror shall list the clinic and under the clinic name, identify each specific provider (i.e., physician, nurse practitioner, nurse midwife) and their specialty.

The offeror must also list other multidisciplinary team members such as nurses, social workers, nutritionists, community outreach workers, and health educators.

2. The offeror shall provide proof of contractual relationships with or letters of intent from providers willing to contract with the offeror.
3. The offeror shall describe its standards of access to services and shall provide documentation supporting its experience in meeting these standards
4. The offeror shall also describe how applicants/enrollees will be informed about the type of, and availability of services, eligibility requirements, provider network, hours of service, how to access urgent as well as routine and preventive care as well as information about the offer's grievance procedure.

5. The offeror shall also submit any written information (i.e., informational leaflet or brochure) it intends to provide to potential applicants/enrollees.
6. The offeror shall submit its policies and procedures for transportation and translation services.
7. The Offeror shall provide policies and procedures for access to Care on Islands that a primary care clinic is not within a reasonable distance, i.e. Molokai and areas of the island of Hawaii.

61.100 Data Processing and Reporting

The processing/tracking, maintenance and reporting of data are an important part of this RFP. Therefore, this section shall explain the adequacy of the offeror's system to collect, process, maintain, and report the information required in the RFP by provider, island and on a statewide basis.

1. The offeror shall provide an overview of its information system and how it intends to meet the data processing and reporting requirement of this RFP.
2. At a minimum, the offeror shall provide the following information:
 - Hardware to be used and availability on a statewide basis
 - Software to be used on a statewide basis
 - A description of the human resources assigned to establish and/or maintain the computer system and produce the required reports specified in the RFP
 - A general listing of the data and information which will be maintained within the offeror's information system for this RFP
 - A description of what data and information will be collected and compiled, and how it will be transmitted between the offeror and providers in a manner that assures confidentiality of the information

61.200 Complaint, Grievance, and Appeals Process

1. The offeror shall describe the process and mechanisms it has in place to accept, document, process and adjudicate expressions of dissatisfaction from enrollees and providers.
2. The offeror shall describe how it intends to inform applicants/enrollees about the grievance process as well as how to access the process.
3. The offeror shall submit a report to the DHS on a quarterly basis that shall include the following information:
 - Date complaint received
 - Enrollee name or identifier
 - Provider name or identifier and city and island
 - Brief description of the situation
 - Action taken to investigate/resolve the expression of dissatisfaction
 - Disposition
 - Date of resolution, or if unresolved, date forwarded to the next grievance process level
4. The offeror shall also describe the mechanisms to track and trend the expressions of dissatisfaction and how the information/findings are integrated into improving the quality of service provision.
5. The offeror shall submit a draft of the pamphlet or brochure that will be disseminated to the enrollees that explains the program and the available benefits. The pamphlet shall include the telephone number for the Med-QUEST office Program Liaison (Sherry Balistreri 692-8093). The enrollee shall be instructed to call the Med-QUEST Plan Liaison if, in his/her opinion, a problem or dissatisfaction has not been adequately resolved on behalf of the enrollee.

SECTION 70 EVALUATION AND SELECTION

70.100 Introduction

DHS shall conduct a comprehensive, fair and impartial evaluation of proposals received in response to this RFP. DHS shall be the sole judge in the selection of the offeror(s). The evaluation of the proposals shall be conducted as follows:

- Review of the proposals to ensure that all mandatory requirements are met
- Review of the technical proposals to determine whether the offeror meets the minimum criteria and requirements

Once the technical proposals have been evaluated and the qualifying offeror(s) identified, the process shall continue with the following steps:

- Award of the contract to the selected offeror

70.200 Evaluation Committees

DHS shall establish evaluation committees that will evaluate designated sections of the proposal. The committees shall consist of members who are familiar with the minimum standards or criteria for immigrant health services and managed care. Additionally, DHS may, at its discretion, designate additional representatives to assist in the evaluation process. The committees shall evaluate the assigned section of each qualifying proposal and document their comments, concerns and questions.

70.300 Mandatory Requirements

Each proposal shall be evaluated to determine whether the requirements as specified in this RFP have been met. The proposal will first be evaluated against the following criteria:

- Proposal was submitted within the closing date and time for proposals (refer to section 21.800)
- The proper number of separately bound copies are in sealed envelopes (refer to section 21.800)

- Proposal contains the necessary information in the proper order (refer to Section 60.100)
- Proposal contains a proposal bond of \$2,000 (refer to section 20.800)

Failure of the offeror to comply with the instructions of this RFP or failure to submit a complete proposal, shall be grounds for deeming the proposal nonresponsive to the RFP. However, DHS reserves the right to waive minor irregularities in proposals provided such action is in the best interest of the State. Where DHS may waive minor irregularities such waiver shall in no way modify the RFP requirements or excuse the offeror from full compliance with the RFP specifications and other contract requirements if the offeror is awarded the contract.

Proposals deemed by the evaluation team to be incomplete or not in accordance with the specified requirements shall be disqualified and the proposal returned to the offeror with a letter of explanation.

70.400 Technical Evaluation Criteria

The proposals shall be evaluated first in order to identify those offerors that meet the mandatory requirements.

For those offerors who do not meet the mandatory requirements, the proposals shall be returned with a letter of explanation.

After the mandatory requirements are satisfied, the technical proposal will be evaluated. Each offeror must obtain a minimum of seventy five percent (75%) of the total points for each of the following areas:

The listing of criteria is not all-inclusive and DHS reserves the right to add, delete or modify any criteria.

- Company background and experience-20%
- Adequacy of the offeror's organization and staffing-15%
- Financial viability and stability- 15%
- Adequacy of the provider network 20%
- Adequacy of referral process and other requested policies and procedures-20%

- Adequacy of the offeror's of information system capabilities-10%

70.500 Identification of Qualifying Offeror

Based on the evaluation of the mandatory requirements and the technical proposal, DHS shall determine which offeror has qualified to provide the services of the RFP.